

#### **Tab 4 Market Study/Housing Needs Assessment**

A comprehensive Market Study/Housing Needs Assessment (“MS/HNA”), completed within 12 months of the Application date, of the housing needs of low-income individuals in the area to be served by the development must be submitted at the time of application. Waived from this requirement are developments with a reservation of Tax Credits from a previous year in which a MS/HNA was submitted at the time of the original reservation.

If an applicant is applying only for PennHOMES funds and the development is either serving special needs residents in 100 percent of the units, or is a preservation proposal which has a stable occupancy, a waiting list of at least 10 percent of the units and is not converting to market rate housing, then the applicant has the option of completing the Market Study/Housing Needs Assessment report using an independent market analyst or his/her own resources and data.

The MS/HNA consists of four parts: 1) the Market Study/Housing Needs Assessment Form; 2) the PHFA Housing Inventory Request Form; 3) the Housing Providers Needs Assessment Form; and, (4) the Comparable Housing Survey Form. The MS/HNA must be performed and completed by an independent, experienced market analyst specifically qualified in affordable rental markets of Pennsylvania and must include a resume outlining the experience of the Market Analyst. If the MS/HNA is not completed by the appropriate party or is not in the Agency’s format, the Application may be rejected by the Agency.

The assumptions used in the MS/HNA (e.g. number of units, housing type, unit mix, projected rents, income targeting) must precisely reflect the information contained in the development’s Application. Proposals that include a MS/HNA that is inconsistent with or does not accurately reflect the information submitted in the Application will be rejected.

In all instances, the Agency reserves the right to order its own or an additional MS/HNA on any development. Applications may be rejected if the proposed development is not supported by an independent MS/HNA acceptable to the Agency or if Agency staff determines that there will be an adverse impact on the marketability of existing affordable housing developments or initiatives in the area. The MS/HNA shall become the property of the Agency and may be subject to public dissemination.

All Applications must include a map showing the proposed site and the surrounding area.

**If the applicant is seeking consideration for Tax Credits as a Community Impact development, the Market Study/Needs Assessment must include a separate breakout of items identified for Community Impact. Additionally, the Market Study /Needs Assessment must identify the criteria set forth in the Community and Economic Impact Selection Criteria for ranking consideration in this category.**

If the Market Study/Needs Assessment is not completed by the appropriate party or is not in the Agency’s format, the Application may be rejected and returned to the applicant.